

January 23, 2001

Mr. Richard Sprott
Director
Division of Air Quality
Department of Environmental Quality
P.O. Box 144820
Salt Lake City, UT 84114-4820

ATTENTION: C. C. Patel, NSR Permitting

Dear Mr Sprott,

NOTICE OF INTENT: Consolidated Approval Order

Intermountain Power Service Corporation (IPSC) is hereby submitting a Notice of Intent requesting the Department of Environmental Quality's Division of Air Quality to correct permitting deficiencies at the Intermountain Generating Station (IGS) in Delta. The IGS is a coal fired steam-electric plant located in Millard County. IPSC is requesting a single Approval Order to be issued that mirrors our Title V Operating Permit and combines pertinent criteria from previous Approval Orders.

ISSUE

Your office issued a Title V operating permit to IPSC on January 9, 1998. That permit had very explicit language that specifically voided all active approval orders which the permit superseded. IPSC has not received any formal indication from your office that reverses or retracts that permit language or otherwise re-instates those approval orders. IPSC has accordingly accepted that permit language at face value and has in good faith operated under the provisions of our Title V permit only.

We understand that the EPA has taken a policy position contrary to Congressional intent and it's own rulemakings concerning approval orders (SIP permits) and the Title V program under the Clean Air Act. We also understand that your office is following that policy guidance that requires that approval orders not be terminated or replaced by Title V permits.

Rather than belabor and press the issue, we think that this NOI can be used as an avenue to put in place an approval order that mirrors our Title V permit. We request that the approval order combine all applicable terms from the list of approval orders voided by the 1/9/1998 Title V permit, excluding the requirements absent from the permit. Specifically, the permit listed the following AO's:

DAQE-028-97	January 08, 1997	IGS Facility & Main Boilers
DAQE-0779-93	September 15, 1993	Limestone, lime & soda ash facilities
DAQE-0824-92	September 04, 1992	Vacuum Cleaning Systems

IP11_002088

BAQE-102-87	December 07, 1987	Coal Sample Preparation Building
BAQ-0873-1	April 28, 1987	Sandblast Facility
Approval Order	February 11, 1987	Diesel Engines (generators & pumps)

There are certain conditions in those approval orders that were purposely excluded from our Title V permit. IPSC expects that any new approval order will have those same conditions removed to mirror the Title V permit. Note that each AO condition already underwent a thorough engineering review and EPA comment process prior to being included or eliminated from the Title V permit. Those specific issues important to us include:

DAQE-028-97, Condition 9. (Comment 12 in Title V 2700010001.)

As discussed in the permit comments, this restriction has no underlying requirement or basis in regulation. It was included as a condition in the IPP approval order of 10/17/1983 (no DAQ#) that resulted from the downsizing of IPP from four units to two. The DAQ has in place other requirements for IGS to meet BACT and standards for emission limits.

DAQE-028-97, Condition 13. (Comment 5 in Title V 2700010001.)

This condition set limits on the concentration (grain/dscf) and the mass emission rate (lbs/hr) for Group 1 dust collectors. The concentration limits are more stringent than the mass emission rate. Therefore, the mass rate limit should not be listed in the approval order. See full comment description in the Title V permit. This condition change is of particular importance due to the use of periodic monitoring versus emission testing. The operation of this group of dust collectors is an intermittent process. Previous stack tests show that emissions are far below limits. Good maintenance programs, pressure drop checks, quarterly preventative maintenance, and visible emission observation provides a combination of periodic monitoring that satisfies the R307-1-3.4.1, emission testing requirement.

BAQ-0873-1, Condition 2. (Comment 8 in Title V 2700010001.)

This eliminated the need for outlet concentration and emission rate for our sandblast facility. The dust collector operates intermittently about 320 hours per year, with emissions of about 0.66 tons. There is no environmental benefit to have a mass limit. The condition also required stack testing for compliance. We feel that similar periodic monitoring as described above is sufficient to satisfy State requirements.

DAQE-0779-93, Condition 6. (Comment 1 in Title V 2700010001.)

Removal of production limits on lime, soda ash and limestone operation. There is no evidence in State files of any reason why these production limits would have been included in the underlying AO. Such a condition is not in AOs of other similar sources. IPSC has an effective dust control plan to control the fugitive dust. There is no environmental benefit to retain this condition in the operating permit application.

DAQE-0779-93, Conditions 3 and 4. (Comment 14 in Title V 2700010001.)

These conditions placed limits on the outlet concentration and test requirements for the

dust collectors listed. These dust collectors are bin vent filters. The potential to emit from these dust collectors ranges from 0.01 to 0.05 tons per year. There is no environmental benefit to have an emission limit. Therefore, the emission limitations were not carried over to the operating permit, and should not be included in this approval order. There are opacity limits on these dust collectors, and they are under a similar periodic monitoring program as those dust collectors discussed above.

DAQE-0824-92, Conditions 3 and 4. (Comment 16 in Title V 2700010001.)

These conditions placed limits on the outlet concentration and test requirements for the dust collectors listed. The potential to emit from each dust collector is 0.08 tons per year. There is no environmental benefit to have an emission limit. Therefore, the emission limitations were not carried over to the operating permit, and should be excluded from the approval order. These are also under similar periodic monitoring.

DAQE-0824-92, Condition 5. (Comment 17 in Title V 2700010001.)

This required a 10 percent opacity limit. For uniformity, this was changed in our Title V permit to the 20% opacity limit required by R307-1-4.2. The potential to emit from the dust collector for the Vacuum Cleaning System is 0.08 tons per year. There is no environmental benefit to set stringent opacity limit for this type of small emission units.

Other conditions with similar comments we wish to have eliminated or modified from subsequent approval orders include all those from the engineering review comment section in Title V Permit #2700010001.

NOTICE OF INTENT FACILITY DESCRIPTION

As required by Utah Administrative Code R307-401-2, the following information is provided:

- (1) **PROCESS DESCRIPTION:** IGS is a fossil-fuel fired steam-electric generating station that primarily uses coal as fuel for the production of steam to generate electricity. Both bituminous and subbituminous coals are utilized. Fuel oil and used oil are also combusted for light off and energy recovery.

IGS is a two unit facility operating at a rated capacity of 875 megawatts (MW) per unit (gross). Approximately 5.2 million tons of coal and 600,000 gallons of oil are used each year in the production of electricity. Boiler capacity is rated at 6.2 million pounds per hour of steam flow at 2822 psi.

IGS has in place bulk handling equipment for the unloading, transfer, storage, preparation, and delivery of solid and liquid fuel to the boilers. No changes of this equipment are required nor expected. No changes in the usage of other raw materials or bulk chemicals are required nor expected.

Other equipment utilized for the generation of power include those facilities described in separate approval orders, namely: bulk limestone, bulk lime, and bulk soda ash unloading and handling equipment, centralized building vacuum systems, coal sample

preparation facility, sandblast facility, and diesel driven emergency generators and fire pumps.

PROPOSED CHANGES: There are no physical or operation changes occurring in conjunction with this NOI. This submittal requests corrections to certain permitting issues only, as described above.

- (2) **EMISSION CHARACTERISTICS:** The expected composition and physical characteristics of emissions are not expected to change from present emission composition and characteristics with regard to emission rates, temperature, air contaminant types, and concentration of air contaminants. The pollution control devices (PCD) include low-NO_x burners, fabric filters and wet scrubbers for the main boilers, and dust collectors and bin filters for auxiliary equipment.
- (3) **PCD DESCRIPTION:** Present pollution control device equipment for main boiler combustion include dual register low NO_x burners, baghouse type fabric filters for particulate removal, and flue gas desulfurization scrubbers. The low NO_x burners provide a nominal 60% reduction in potential combustion NO_x concentration, the baghouse filters operate at nominal 99.95% efficiency, and the wet scrubbers operate at nominal 90% efficiency. Control equipment for the handling and transfer of solid material include dust collection filters. No changes in the operation of the PCD's described are required nor expected.
- (4) **EMISSION POINT:** The present emission point for the IGS boilers is a lined chimney that discharges at 712 feet above ground level (5386 feet above sea level). The chimney location is 39° 39' 39" longitude, 112° 34' 46" latitude. Dust collectors and bin filters discharge at various locations around the plant site.
- (5) **SAMPLING/MONITORING:** Emissions from boiler combustion are continuously sampled and monitored at the chimney for nitrogen oxides, sulfur oxides, carbon dioxide, and volumetric flow. Opacity is measured at the fabric filter outlet. Operating parameters recorded include heat input and production level (megawatt load). For other site operations, monitoring includes visual observations and operating data. Monitoring will remain unchanged. Other emissions not directly monitored are calculated using engineering judgements, emission factors, and fuel analyses.
- (6) **OPERATING SCHEDULE:** Operation at IGS is 24 hours per day, seven days per week. This will not change.
- (7) **CONSTRUCTION SCHEDULE:** No construction is proposed for purposes of this NOI.

(8) **MODIFICATION SPECIFICATIONS:** Not applicable for this NOI.

(9) **ADDITIONAL INFORMATION:** IGS operates under a Title V permit (#2700010001). IPSC intends to continue to operate in full compliance with that permit and applicable requirements. No deviations from permit conditions are expected.

Applicability Determinations

New Source Performance Standards. IGS operates as a New Source Performance Standard (NSPS) power plant, regulated under Title 40 of the Code of Federal Regulations, Part 60, Subpart Da. A regulatory review of 40 CFR 60(Da) finds that the proposed changes do not fall under NSPS applicability as a modification. A modification is defined at 40 CFR 60.14, which covers 40CFR60(Da), to include any change in operation of a source that increases the maximum hourly emissions of a Part 60 regulated pollutant above the maximum achievable during the previous five years. (See 40 CFR 60.14(h): "No physical change, or change in the method of operation, at an existing electric utility steam generating unit shall be treated as a modification for the purposes of this section provided that such change does not increase the maximum hourly emissions of any pollutant regulated under this section above the maximum hourly emissions achievable at that unit during the 5 years prior to the change."). Based upon EPA interpretation and guidance, the "maximum hourly emissions achievable" at IGS are considered to be those emission limits presently in place via our Title V permit. Since this NOI proposes no change to facility or operation, the maximum hourly emissions achievable can not increase. Therefore, NSPS does not apply to the changes proposed here.

Prevention of Significant Deterioration. A modification subject to new source review under the Clean Air Act PSD rules include changes to facility or operations that result in a net significant increase in emissions. IPSC is requesting that an approval order be constructed and issued that mirrors our Title V permit. The combination of requirements from the list of approval orders at issue will not cause any change in emission rate or characteristic. Therefore, this request is out of the scope of PSD review.

We feel that this request will help your office fulfill it's requirement under EPA policy to have approval orders align with Title V permits. Since it appears that we have no choice but to obtain an active approval order, we consider this request for a single, consolidated approval order the best avenue for both IPSC and the DAQ.

We have included the \$480.00 base fee required for only generic work required for this request, since no modifications are being made. Should you require further information to expedite the approval of this request, please contact Mr. Dennis Killian, Superintendent of Technical Services, at (435) 864-4414, or dennis-k@ipsc.com.

In as much as this notice of intent affects our Title V Operating Permit, I hereby certify that, based on information and belief formed after reasonable inquiry, the statements and information in this document are true, accurate, and complete.

Cordially,

S. Gale Chapman
President, Chief Operations Officer, and Title V Responsible Official

cc: Blaine Ipson
Bruce Moore, LADWP CES
Mike Nosanov, LADWP
James A. Holtkamp, LLGM